



Report on the supplementary Legislative Consent Memorandum – Enterprise and Regulatory Reform Bill – Green Investment Bank

Background

1. The Enterprise and Regulatory Reform Bill¹ (“the Bill”) was introduced in the House of Commons on the 20 May 2012 by the Secretary of State for Business, Innovation and Skills. The Bill was given a Second Reading on the 11 June 2012. The House of Commons held the final day of the report stage and third reading of the Bill on 17 October. The Bill will now be sent to the House of Lords for consideration.

2. The Bill consists of six Parts, of which the current Legislative Consent Memorandum (LCM) is only concerned with Part 1 (sections 1-6) in relation to the Green Investment bank.

3. The different Parts of the Bill would change the law in different ways in different parts of the UK. In relation to Part 1, the Explanatory Notes state that “Parts 1 (UK Green Investment Bank) and 6 (Miscellaneous and general) extend to the whole of the United Kingdom.” In relation to Wales, the Notes state that –

“Westminster will not normally legislate with regard to devolved matters falling within the legislative competence of the National Assembly for Wales. Certain of the provisions of the Bill extending to Wales fall within the legislative competence of National Assembly for Wales. The consent of the National Assembly for Wales is therefore being sought for them through a legislative consent motion.”

4. The UK Green Investment Bank plc is a public company established by the Secretary of State under the *Companies Act 2006* to facilitate and develop investment in the green economy. Clauses in the Bill:

- will ensure that the UK Green Investment Bank plc engages only in activities that contribute to achieving one or more ‘green purposes’

¹ Available at: <http://services.parliament.uk/bills/2012-13/enterpriseandregulatoryreform.html>

defined in the Bill (such as the advancement of efficiency in the use of natural resources; the protection or enhancement of the natural environment);

- require the Secretary of State to provide an undertaking to the UK Green Investment Bank plc in order to facilitate its operational independence;
- permit the Secretary of State to provide financial assistance to the UK Green Investment Bank plc, as well as imposing certain enhanced reporting and accounting obligations on it.

Consideration

5. The Minister for Business, Enterprise, Technology and Science laid an LCM in respect of the Enterprise and Regulatory Reform Bill² on 10 July 2012.

6. The LCM was considered by the Business Committee on 17 July 2012. It agreed to refer it to the Enterprise and Business Committee (“the Committee”) and the Environment and Sustainability Committee for scrutiny.

7. The Business Committee also agreed that the Committee should report on the LCM by 1 November 2012. The motion is due to be considered in plenary on 6 November 2012.

Our view

8. We note that the Green Investment Bank is intended to operate on a UK basis and that businesses will therefore be in a position to access funding to benefit appropriate green projects in Wales.

9. We consider that it is appropriate for the UK Parliament to legislate on this matter as described in the Welsh Government’s Legislative Consent Memorandum.

10. Accordingly, the committee has no objection to the use of a Legislative Consent Motion as proposed by the Welsh Government.

² Available at: <http://www.assemblywales.org/bus-home/bus-business-fourth-assembly-laid-docs.htm?act=dis&id=236311&ds=7/2012>